GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:2445
ANSWERED ON:14.12.2015
Review of Investment in Equity Under EPFO
Rajesh Shri M. B.

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a)whether the equity investment made by Employees Provident Fund Organisation (EPFO) have led to poor returns;
(b)if so, the details of equity investments made and returns earned by the EPFO during each of the last three years and the current year;
(c)whether this poor return will have any impact on the interest rate offered by EPFO and if so, the reaction of the Government thereto; and
(d)whether the Government proposes to review equity investment plans and to bring changes in this regard and if so, the details thereof?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)

(a) & (b): No investment has been made by Employees' Provident Fund Organisation (EPFO) in equity. However, EPFO has started investments in Exchange Traded Fund (ETF) from August, 2015. ETF as an instrument is affected by market fluctuations. Investment in ETF is a long-term strategy for maximisation of wealth. Five months is a very short period to judge return from the same.
No investment has been made by EPFO in equity in the last three years. The details of investment made by EPFO from August, 2015 to November, 2015 is as follows:
Contd..2/-

Index	Total Investment (Rs. in crore)
EPS Sensex	258.0
EPS Nifty	752.3
EPF Sensex	547.7
EPF Nifty	1616.6
Total	3174.6

(c): Investments in ETFs have been made with the view that in long term this investment would provide better returns. Impact of investment in ETF on rate of return declared by EPFO can be arrived at the end of the financial year.
(d): No proposal to review equity investment by EPFO is under consideration of the Government at present.
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